



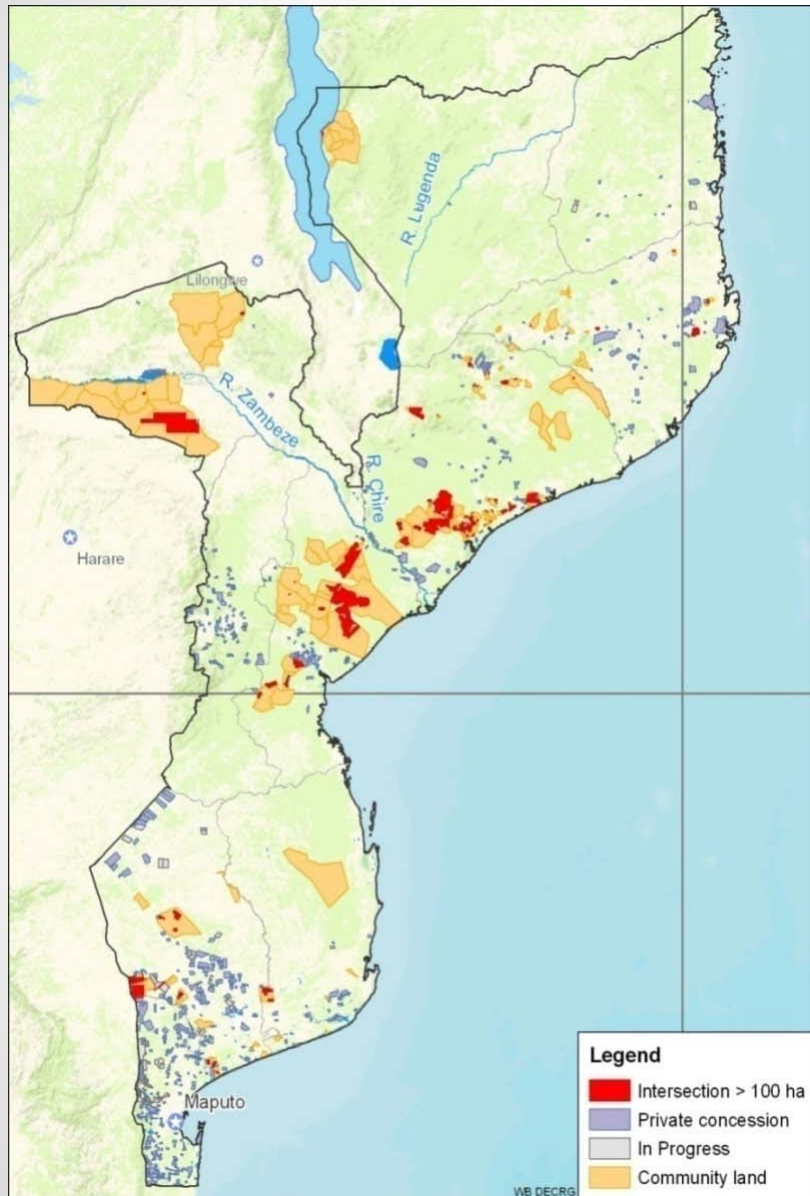
# Community-investor partnerships: lessons from Pro Parcerias in Mozambique

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# Mozambique



	Number of projects	Area concerned (ha)
Cabo Delgado	9	58129
Gaza	20	156356
Inhambane	14	108034
Manica	16	73790
Maputo	21	74873
Nampula	7	64930
Niassa	2	9439
Sofala	17	152048
Tete	1	36000
Zambezia	17	190742
TOTAL	124	924341

*Authors' calculation based on CPI and CEPAGRI data on large scale agricultural projects approved between 2007 and 2011*



# Mozambique: A legal framework conceived for partnerships

- **Features of the National Land Policy (NPL)**

- Land belongs to the State
- State allocates Land use and benefit rights (DUAT) in 3 situations
  - 1) *Occupation according to customary norms and practices by local communities*
  - 2) *Occupation in “good faith” for at least 10 years*
  - 3) *Formal request to the State by a domestic or foreign investor*

***“Safeguard the diverse rights of the Mozambican people over the land and other natural resources, while promoting new investment and the sustainable and equitable use of these resources” (Serra 2012)***

- **Definition of local communities**

- integrated land and resource system through which any group of households uses their surrounding territory
- Collective entity which is the DUAT holder

- **Delimitation of the local communities**

***“local communities, once recognized and registered, can enter into contracts with investors who are interested in using their land” (Technical Annex paragraph 25)***

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# Community consultation, negotiations and compensations

- **Community consultation ("*Acta*")**
  - ⇒ Often poorly carried out, "cosmetic veneer of participation" (Tanner *et al* 2009)
- **Negotiations/Compensations**
  - ⇒ Doesn't reflect the real value of loss of livelihood
  - ⇒ Asymmetry of bargaining power
  - ⇒ No implementation of promises (Baleira and Tanner 2009)
- **Aspects of agency problem**
  - ⇒ Interests and objectives of the two parties are not completely aligned
  - ⇒ Technically and economically unfeasible for the local community (« principal ») to monitor the investor's work (« agent »)
  - ⇒ Local community members and investors have different attitudes to risk

**Until now, the majority of Community-Investor relationships didn't result in « fair and inclusive » partnerships**

# Features of Pro-Parcerias

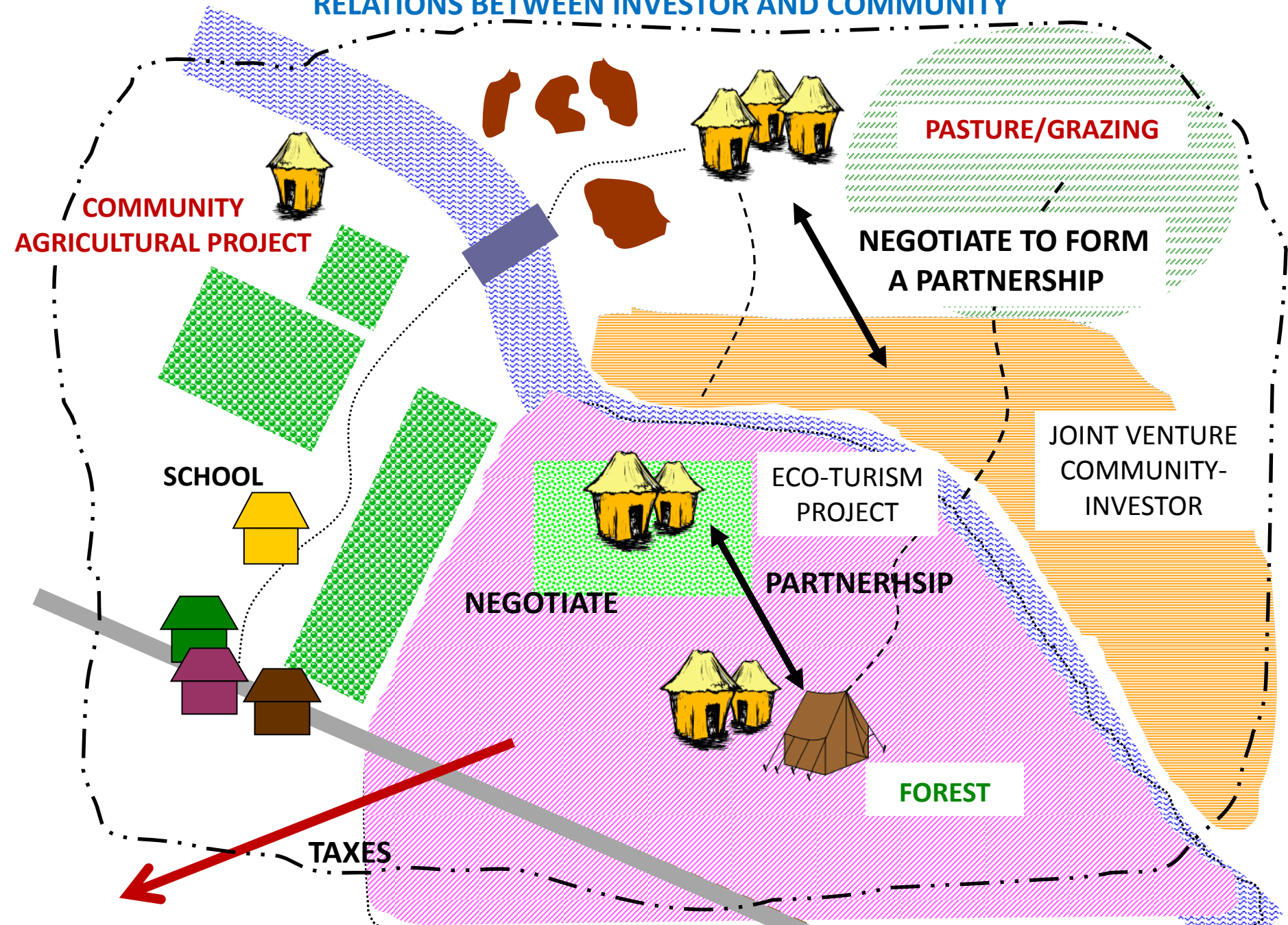
## Implementation

- National Directorate for Promoting Rural Development
- Funding: Netherlands, IFAD and GoM (technical support from FAO)
- From 2009 to 2012/2013
- Objectives: to have 5 pilot projects of community-investor partnerships and develop guidelines

## Basic approach

- Identify delimited communities with unused land
- Find investors:
  - Portfolio of investment opportunities
  - Partnering with AgDevCo – MOU Signed (2-3 pilot cases)
  - Open tendering processes (Newspapers etc)
  - Pre-selection with Investment Promotion Centre (CPI)
- Contracts with service providers:
  - Mediation and facilitation
  - Following the process to draw lessons for future guidelines

# THE ROLE OF DELIMITATION AND CONSULTATIONS IN THE MANAGEMENT OF RELATIONS BETWEEN INVESTOR AND COMMUNITY



# Key elements of Pro-Parcerias

## Prevent from possible hidden objectives of the agent

⇒ Mozambican land tenure system (Community delimitation, DUAT)

- Legal security during the negotiation
- Reduce risk of dispossession

⇒ Incentive strategy for investors

- Reduction of transaction cost for establishing agricultural investment
- Reduction of risk of conflict

⇒ Strategic partnership with iTC, AgDevCo

- Identify communities willing to enter in such partnership
- Screening of investors motivation and quality



# Key elements of Pro-Parcerias

## Reduce the uncertainty inherent to such partnerships

⇒ “Agricultural potential assessment”

- Detailed land use plan and potentialities
- Elaboration of type of partnership (outgrower scheme, joint venture, cooperative, marketing contracts, etc)

⇒ Multi-stakeholder approach

- Reduce institutional uncertainty
- Allow the creation of a structure supporting the community during and after the negotiation



# Key elements of Pro-Parcerias

## **Reduce the degree of asymmetry of information and power**

⇒ Contracting of « brokers » (NGOs and philanthropic donor fund)

- Benefit from previous experience
- Empower the communities
- Provide legal support
- Mediate the partnership

⇒ Institutions in charge of reducing the asymmetry

- Rely on the Natural Resource Management Committee
- Establish another group with local institutions, community leaders and district technical team

# Key elements of Pro-Parcerias

## Deal with the complexity of the relationship

⇒ Integration within a broader rural development plan

- Linked with other institutions (CPI, CEPAGRI, DNTF, etc)
- Fits into objectives 2 and 5 of Rural Development Strategy (RDS)

⇒ Challenging criteria

- Going beyond the land delimitation
- Difficulty to make the institutions working together

# Conclusion

- The legal framework makes these partnerships possible but we need to go beyond
- Innovative strategy that request time, consistent and skilled support
- Challenges
  - ✓ Valuating the resources the community involve in the partnership
  - ✓ High institutional complexity
  - ✓ Difficulty to involve private investors in such framework
  - ✓ No effective partnership implemented at this stage despite work started in 12 communities
- Temporality
  - ✓ Move from a project framework to strategic principles for a policy

# CIPP's – Community Investors Partnerships Programme: Experiences of PRO-PARCERIAS in Mozambique



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Thank you  
Muito obrigado  
Khanimambo